

State of Alaska
ALASKA RETIREMENT MANAGEMENT BOARD
OPERATIONS COMMITTEE MEETING

Videoconference

MINUTES OF
December 1, 2021

Wednesday, December 1, 2021

ATTENDANCE

Committee Present: Robert Johnson, *Chair*
Lorne Bretz
Gayle Harbo
Bob Williams
Dennis Moen
Donald Krohn

Committee Absent: Commissioner Lucinda Mahoney

ARM Board Trustees

Present: Paula Vrana

Investment Advisory

Council Present: Dr. William Jennings

Department of Revenue Staff Present:

Zachary Hanna, Chief Investment Officer
Pamela Leary, Director, Treasury Division
Scott Jones, Head of Investment Operations, Performance & Analytics
Ryan Kauzlarich, Accountant V
Grant Ficek, Business Analyst
Alysia Jones, Board Liaison

Department of Administration Staff Present:

Ajay Desai, Director, Division of Retirement and Benefits

ARMB Legal Counsel Present:

Benjamin Hofmeister, Assistant Attorney General, Department of Law

I. CALL TO ORDER

CHAIR JOHNSON called the meeting of the ARM Board Operations Committee to order at 4:22 p.m.

II. ROLL CALL

MR. BRETZ, MS. HARBO, MR. KROHN, MR. MOEN, MR. WILLIAMS, and CHAIR JOHNSON were present at roll call.

III. PUBLIC MEETING NOTICE

ALYSIA JONES confirmed that public meeting notice requirements had been met.

IV. A. Approval of Agenda

MS. HARBO moved to approve the agenda. MR. WILLIAMS seconded the motion. The agenda was approved without objection.

B. Approval of Minutes: September 22, 2021

MS. HARBO moved to approve the minutes of the September 22, 2021 meeting. MR. WILLIAMS seconded the motion.

V. PUBLIC/MEMBER PARTICIPATION, COMMUNICATIONS & APPEARANCES – None.

VI. TREASURE OPERATIONS UPDATE

MS. LEARY noted that she had a few items to discuss, and the first item was the budget. She said that they were where they wanted to be in the budget process, that what had been proposed was going through Office of Management and Budget review and that most of what had been proposed was intact. She said that it would be put into the Governor's budget and then on to the legislative process.

MS. LEARY said the second item was the continuation of the hybrid telework environment which was scheduled to continue for at least another month and with the new COVID variant, it could continue into the future, that they were expecting to continue to the beginning of the new year and would adjust accordingly after that.

MS. HARBO asked if people had a choice to come into the office or do they all work from home; MS. LEARY confirmed that people did have a choice to come into the office and a few people come into the office on a regular basis: MS. HARBO asked if they could come in the office two days a week and work from home the other time; MS. LEARY said the telework agreements were set up so that schedules were known.

MS. LEARY said the third item was to update the Board on the comptroller search. She said they did not have a candidate yet, that the assistant comptroller, RYAN KAUZLARICH, would continue for the time being and that he was doing an excellent job.

VII. TREASURY MIDDLE OFFICE UPDATE

MR. JONES noted that they had a risk manager for the Department of Revenue, LANCE AHERN, who had started a couple months prior.

MR. JONES said that they had been working on the SWIFT assessment that is scheduled to be completed by the end of the calendar year, that it was an annual assessment they perform for SWIFT

to get them comfortable with the controls that Treasury has internally to keep their system safe.

MR. JONES said that they have continued to put out money-weighted returns and work with the PE group by assisting them get data which will be part of their presentation. He said they are also building out more time-weighted information to assist with reconciliations. He noted that they also worked with one of their groups to report database information from their local infrastructure to the Azure cloud.

CHAIR JOHNSON asked what Azure cloud was; MR. JONES explained that it was a cloud-based solution that did not require in-house servers and databases. He said Azure was run by Microsoft, that the state has an initiative to move things to the Microsoft Azure environment.

VIII. POLICY & PROCEDURES MANUAL REVISION PROPOSAL

MS. LEARY said that there was an action item in the packet on page 9 on the Policy & Procedures Manual and stated there is a requirement to go through it at least once a year and report on any updates to the manual. She said they did include one of the requests that Trustee BRETZ had made, which was to include an operating procedure under Item III D under Education, Training, Travel and Reimbursement. The added procedure is that the Board review travel, honorarium, and meeting costs annually after the first meeting after the fiscal year end.

MS. LEARY said they had also added several other cleanup items and removed some detail information that changes every year, adding references to the ARM Board web page that gets updated continually. She said the annotated version and the current version was in the packet and the recommendation was to have the Operations Committee recommend to the Board that the changes were approved.

CHAIR JOHNSON asked for a motion to adopt the changes.

MS. HARBO moved to approve the changes to the Manual. MR. WILLIAMS seconded the motion.

MR. WILLIAMS asked how often changes were made to the website and was that the only way to solve the issue; MS. LEARY said that she did think that the best way for the particular items was to move them to the website. She said the changes involved asset allocation and financial information and that the chart that was at the front of the manual was difficult to read. She said all the information on the website was updated monthly, the audited financial statements were updated on an annual basis and the annual asset allocations were updated on an annual basis. She said that she and MS. JONES were making sure the information is there promptly. MS. LEARY said that they could also include other information the Board would like to have on the website that the Board would like to keep track of; MR. WILLIAMS said that he had a pet peeve when things get updated and links no longer work; MS. LEARY said that she agreed with him and that if that ever happened, to let her or MS. JONES know and they would take care of it immediately.

MS. HARBO asked if it would come up during the Operations Committee report; CHAIR JOHNSON confirmed that it would and that they would make the motion to adopt it if the recommendation gets approved.

A roll call vote was taken, and the motion passed unanimously.

IX. REVIEW COMMITTEE CHARTER - None

X. FUTURE MEETINGS

A. Calendar Review - None

B. Agenda Items - None

C. Requests/Follow-Ups - None

**XI. OTHER MATTERS TO PROPERLY COME BEFORE THE COMMITTEE - None.
(18)**

XII. PUBLIC/MEMBER COMMENTS - None.

XIII. ADJOURNMENT

MR. WILLIAMS moved to adjourn the meeting. MS. HARBO seconded the motion. The motion passed without objection.

The meeting was adjourned at 4:37 p.m.

ATTEST:

Corporate Secretary

Note: An outside contractor recorded the meeting and prepared the summary minutes. For in-depth discussion and more presentation details, please refer to the recording of the meeting and presentation materials on file at the ARMB office.